

**BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA  
DOCKET NO. 2019-\_\_\_\_ - E**

|                                               |   |                                      |
|-----------------------------------------------|---|--------------------------------------|
| In Re:                                        | ) |                                      |
|                                               | ) |                                      |
| Duke Energy Carolinas, LLC's and Duke         | ) | <b>JOINT PETITION OF DUKE ENERGY</b> |
| Energy Progress, LLC's Joint Petition to      | ) | <b>CAROLINAS, LLC AND DUKE</b>       |
| Establish a Consolidated Informational Docket | ) | <b>ENERGY PROGRESS, LLC TO</b>       |
| for Review and Consideration of Grid          | ) | <b>ESTABLISH AN INFORMATIONAL</b>    |
| Improvement Plans                             | ) | <b>DOCKET FOR REVIEW AND</b>         |
|                                               | ) | <b>CONSIDERATION OF GRID</b>         |
|                                               | ) | <b>IMPROVEMENT PLANS</b>             |

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Duke Energy Carolinas, LLC (“DEC”) and Duke Energy Progress, LLC (“DEP”) (collectively, the “Companies”), pursuant S.C. Code Ann. §§ 58-3-140 and 58-27-140 and Rules 103-301, 103-800, and 103-825 of the Rules and Regulations of the Public Service Commission of South Carolina (the “Commission”), hereby petition the Commission to establish an informational docket for review and consideration of the Companies’ Grid Improvement Plans. In support hereof, the Companies respectfully show the following:

1. DEP and DEC are engaged in the generation, transmission, distribution, and sale of electricity to the public for compensation. The Companies also sell electricity at wholesale to municipal, cooperative and investor-owned electric utilities and such wholesale sales are subject to the jurisdiction of the Federal Energy Regulatory Commission (“FERC”). DEC and DEP are public utilities under the laws of South Carolina and are subject to the jurisdiction of the Commission with respect to their operations in this State. The Companies are also authorized to transact business in the State of North Carolina and are each a public utility under the laws of that State. Accordingly, their operations are also subject to the jurisdiction of the North Carolina Utilities Commission (“NCUC”).

2. The general office of Duke Energy Carolinas, LLC is located at 550 South Tryon Street, Charlotte, North Carolina, and the mailing address is Post Office Box 1321 (DEC 45A), Charlotte, North Carolina 28201-1006. The general office of Duke Energy Progress, LLC is located at 410 S. Wilmington Street, Raleigh, North Carolina, and the mailing address is Post Office Box 1551, Raleigh, North Carolina 27602-1551.

3. The attorneys for the Companies, to whom all notices and other communications with respect to this Petition should be sent, are:

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4. In their Applications for Adjustments in Electric Rate Schedules and Tariffs and Requests for an Accounting Order, the Companies also proposed Grid Improvement Plans for approval by the Commission. (See Docket No. 2018-318-E, Application of DEP for Adjustments in Electric Rate Schedules and Tariffs and Request for an Accounting Order at ¶¶ 11, 34–41; Docket No. 2018-319-E, Application of DEC for Adjustments in Electric Rate Schedules and Tariffs and Request for an Accounting Order at ¶¶ 12, 35–42.)

5. On March 8, 2019, the South Carolina Office of Regulatory Staff (“ORS”) moved to establish a new and separate hearing docket to review and consider the Grid Improvement Plans proposed by DEP and DEC in Dockets No. 2018-318-E and 2018-319-E, respectively.

6. The following parties in the rate case proceedings also expressed support for ORS’s motion to establish a separate docket to consider the Companies’ Grid Improvement Plans: Vote Solar, South Carolina Solar Business Alliance, Inc., Cypress Creek Renewables, LLC, South Carolina Energy Users Committee, South Carolina NAACP, South Carolina Coastal Conservation League, Upstate Forever, and Hasala Dharmawardena. Walmart, Inc. and Nucor Steel-South Carolina communicated that they did not oppose ORS’s motion.

7. Subsequently, on March 12, 2019, ORS and DEC executed a stipulation resolving ORS’s motion as to DEC. Thereafter, by email on March 13, 2019, counsel for DEP and DEC consented to extend the same terms contained within the DEC stipulation to DEP. The stipulation was approved for both DEC and DEP by Order No. 2019-26H on March 13, 2019. No party expressed objection to the approval and adoption of the stipulation by the Commission.

8. The stipulation provides for the establishment of an independent proceeding to review and consider the Companies’ Grid Improvement Plans and to further advance stakeholder discussions and Commission review. The stipulation also permits the Companies to each defer into a regulatory asset account all Grid Improvement Plan-related costs until the underlying costs and proposed recovery may be considered in each Company’s next general rate proceeding, where such costs may be considered for recovery, consistent with the Commission’s prior deferral order on grid investment. The stipulation also provided that should any Grid Improvement Plan-related costs be ultimately denied recovery by the Commission, neither Company will be permitted to recover any associated return or depreciation expenses associated with such disallowed costs.

9. The stipulation also provided that DEC and DEP would file a petition in a separate docket to seek a resolution of the issues surrounding the Companies' Grid Improvement Plans by no later than January 1, 2020. In accordance with the stipulation and order, the Companies now propose opening a consolidated NDI docket for informational purposes only. The Companies propose this docket be used to house exhibits and testimony originally provided in those rate cases, as well as to notice any allowable ex parte presentations or technical workshops to be held before the Commission to further advance stakeholder discussions and the Commission's review. The Companies will also provide updates on other stakeholder engagement work and information.

10. The Companies are also willing to respond to parties' information requests submitted in the course of the NDI, and are happy to file responses for the Commission's review, and will continue to maintain its electronic means of distributing information to interested parties. By doing so, the Companies intend to afford parties more time than normally permitted in rate case proceedings to seek answers to questions regarding these investments and the Companies' plans. The willingness of the Companies to provide information within the course of the NDI docket will not create an official evidentiary record to be automatically used in a rate proceeding, but rather will serve to expedite or narrow discovery in a future proceeding. The Companies are willing to work with other parties to determine which documents from the NDI docket are appropriate or suitable for this purpose at the time a future rate proceeding is initiated.

11. While the NDI docket will permit other parties an opportunity to assess the Companies' plans with respect to grid improvement costs, the docket will not prevent, limit, or preclude any party from conducting discovery in any subsequent rate case or other proceeding where those costs are included, pursuant to the terms of the stipulation. Additionally, the Companies believe this docket will not affect the Commission's prior deferral order on grid

investment issued in Docket No. 2018-206-E on November 13, 2018. (*See* Docket No. 2018-206-E, Order No. 2018-751.)

12. While the Companies maintain that the establishment of an informational docket does not preclude discovery in a rate case for recovery of such investments, the Companies emphasize that numerous parties advocated for this separate docket. Accordingly, the parties should have ample time and opportunity to review the abundant materials describing the Companies' Grid Improvement Plans prior to and during any subsequent rate case. Given such, the Companies respectfully request the Commission to communicate an expectation that parties requesting and supporting such docket will avail themselves of the information available in such docket and the Companies' willingness to answer questions in advance of a rate case in which costs will be eligible for recovery.

13. The Companies propose using a bill insert to provide customers notice of the informational docket and the ongoing review and discussion of the Companies' Grid Improvement Plans. The bill insert will run thirty days following receipt of a Commission order. Specifically, the Companies propose to use the following language in the bill insert:

Duke Energy Carolinas, LLC and Duke Energy Progress, LLC (the "Companies") work hard to maintain the power grid and reliably meet the needs of its customers. However, the Companies also understand that more must be done to improve the state's energy infrastructure. To that end, the Companies have developed and undertaken Grid Improvement Plans built upon strategic, data-driven investments to improve reliability to avoid outages and speed restoration; harden the grid to protect against cyber and physical threats; expand solar and other innovative technologies across a two-way smart-thinking grid; and give customers more options and control over their energy use and tools to save money.

The Public Service Commission of South Carolina (the "Commission") has opened Docket No. \_\_\_\_\_ for review and consideration of the Companies' Grid Improvement Plans. The Companies may seek to recover costs associated with the Grid Improvement Plans in future rate cases, estimated to be approximately \$311 million for Duke Energy Carolinas and

\$144 million for Duke Energy Progress over the 2019-2021 period, exclusive of carrying costs. Copies of the Grid Improvement Plans and additional information concerning the Plans can be found on the Commission's website at [www.psc.sc.gov](http://www.psc.sc.gov) under Docket No. \_\_\_\_\_.

14. The Companies respectfully submit that the relief herein is consistent with the public interest and is based upon good cause shown.

### CONCLUSION

WHEREFORE, the Companies respectfully request that the Commission (1) establish an informational docket for review and consideration of the Companies' Grid Improvement Plans; (2) approve the language proposed in paragraph thirteen (13) to be included in a bill insert notifying customers of the informational docket and ongoing consideration of the Grid Improvement Plans; and (3) grant such other and further relief as the Commission deems just and reasonable in furtherance of the public interest.

Respectfully submitted this 16th day of December 2019.




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